

FOR WIRE TRANSMISSION: 8:30 A.M. EDT, MONDAY, October 1, 2001

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Recorded message: 606-5303

BEA 01-30

PERSONAL INCOME AND OUTLAYS: AUGUST 2001

Personal income increased \$1.8 billion, or less than 0.1 percent, and disposable personal income (DPI) increased \$141.0 billion, or 1.9 percent, in August, according to the Bureau of Economic Analysis. Personal consumption expenditures (PCE) increased \$14.9 billion, or 0.2 percent. In July, personal income increased \$44.1 billion, or 0.5 percent, DPI increased \$128.9 billion, or 1.7 percent, and PCE increased \$15.7 billion, or 0.2 percent, based on revised estimates.

	Apr.	May	2001 June	July	Aug.
	(Percent change from preceding month)				
Personal income, current dollars	0.2	0.1	0.3	0.5	0.0
Disposable personal income:					
Current Dollars	.3	.2	.3	1.7	1.9
Chained (1996) dollars	.1	.1	.1	1.8	1.9
Personal consumption expenditures:					
Current dollars	.3	.4	.4	.2	.2
Chained (1996) dollars	.2	.3	.3	.3	.2

The August and July changes in disposable personal income -- personal income less personal tax and nontax payments -- were boosted by several special factors. The largest of these factors was advance refund checks sent to taxpayers beginning in July as part of the Economic Growth and Tax Relief Reconciliation Act of 2001, which lowered net income tax payments. In addition to the refund checks, the Act lowered income tax withholding rates beginning in July. The July change in disposable personal income was also boosted by an increase in transfer payments, which reflected one-time payments to correct for underpayments of benefits associated with an error in the indexing for social security and supplemental security income benefits. Excluding these special factors, disposable personal income increased \$25.7 billion, or 0.3 percent, in August, and increased \$21.1 billion, or 0.3 percent, in July.

Wages and salaries

Private wage and salary disbursements decreased \$7.4 billion in August, in contrast to an increase of \$12.2 billion in July. Goods-producing industries' payrolls decreased \$2.5 billion, in contrast to an increase of \$2.6 billion; manufacturing payrolls decreased \$4.0 billion, in contrast to an increase of \$2.8 billion. Distributive industries' payrolls decreased \$3.5 billion, in contrast to an increase of \$1.7 billion. Service industries' payrolls decreased \$1.3 billion, in contrast to an increase of \$7.8 billion. Government wage and salary disbursements increased \$2.0 billion, compared with an increase of \$5.7 billion.

Other personal income

Proprietors' income increased \$6.8 billion in August, compared with an increase of \$4.0 billion in July. Farm proprietors' income increased \$2.1 billion, compared with an increase of \$1.1 billion. Nonfarm proprietors' income increased \$4.6 billion, compared with an increase of \$2.9 billion.

Transfer payments decreased \$5.8 billion in August, in contrast to an increase of \$14.8 billion in July. The changes in August and July reflected the one-time payments of \$11.2 billion (at an annual rate) to social security recipients and of \$1.5 billion to supplemental security income recipients in July. These payments were made to correct for the underpayment of benefits. Personal interest income decreased \$1.0 billion in August, compared with a decrease of \$2.0 billion in July. Personal dividend income increased \$3.2 billion, compared with an increase of \$2.6 billion. Rental income of persons increased \$2.7 billion, compared with an increase of \$6.2 billion.

Personal contributions for social insurance -- a subtraction in calculating personal income -- decreased \$0.7 billion in August, in contrast to an increase of \$0.7 billion in July.

Personal taxes and disposable personal income

Personal tax and nontax payments decreased \$139.2 billion in August, compared with a decrease of \$84.8 billion in July. The August and July changes in personal tax and nontax payments reflected advance refund checks sent to taxpayers beginning in July, which subtracted \$209.4 billion (at an annual rate) in August and \$81.4 billion in July, and a reduction in income tax withholding rates, which subtracted \$13.7 billion in both August and July. Disposable personal income (DPI) -- personal income less personal tax and nontax payments -- increased \$141.0 billion, or 1.9 percent, in August, compared with an increase of \$128.9 billion, or 1.7 percent, in July.

Personal outlays and personal saving

Personal outlays -- PCE, interest paid by persons, and personal transfer payments to the rest of the world (net) -- increased \$13.7 billion in August, compared with an increase of \$14.6 billion in July. PCE increased \$14.9 billion, compared with an increase of \$15.7 billion.

Personal saving -- DPI less personal outlays -- was \$313.2 billion in August, compared with \$185.7 billion in July. Personal saving as a percentage of disposable personal income was 4.1 percent in August, compared with 2.5 percent in July.

Real DPI and real PCE

Real DPI -- DPI adjusted to remove price changes -- increased 1.9 percent in August, compared with an increase of 1.8 percent in July.

Real PCE -- PCE adjusted to remove price changes -- increased 0.2 percent in August, compared with an increase of 0.3 percent in July. Purchases of durable goods decreased 0.3 percent, compared with a decrease of 0.2 percent. Purchases of motor vehicles and parts more than accounted for the August and July decreases. Purchases of nondurable goods increased 0.5 percent

in August, compared with an increase of 0.7 percent in July. Purchases of services increased 0.2 percent, the same increase as in July.

Revisions

Estimates have been revised for April through July. Changes in personal income, current-dollar and chained (1996) dollar DPI, and current-dollar and chained (1996) dollar PCE for June and July -- revised and as published in last month's release -- are shown below. Revisions for April and May were small.

	Change from preceding month							
	June		June		July		July	
	Previous	Revised	Previous	Revised	Previous	Revised	Previous	Revised
	(Dollars)		(Percent)		(Dollars)		(Percent)	
Personal Income:								
Current dollars.....	30.5	28.3	0.4	0.3	43.9	44.1	0.5	0.5
Disposable personal income:								
Current dollars.....	23.3	20.9	.3	.3	127.9	128.9	1.7	1.7
Chained (1996) dollars....	9.4	9.7	.1	.1	120.8	122.6	1.8	1.8
Personal consumption expenditures:								
Current dollars.....	33.6	29.1	.5	.4	7.1	15.7	.1	.2
Chained (1996) dollars....	19.3	17.5	.3	.3	10.6	19.2	.2	.3

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Next release -- Personal Income and Outlays for September will be released on November 1, 2001, at 8:30 A.M. EST.

Table 1.-Personal Income
[Billions of dollars; months seasonally adjusted at annual rates]

	1999	2000	Mar 01	Apr 01/r/	May 01/r/	Jun 01/r/	Jul 01/r/	Aug 01/p/
Personal income.....	7,777.3	8,319.2	8,676.2	8,697.0	8,709.3	8,737.6	8,781.7	8,783.5
Wage and salary disbursements....	4,472.2	4,837.2	5,073.8	5,092.8	5,091.7	5,115.0	5,132.9	5,127.5
Private industries.....	3,747.9	4,068.8	4,281.1	4,296.7	4,292.7	4,311.3	4,323.5	4,316.1
Goods-producing industries....	1,088.7	1,163.7	1,210.6	1,208.1	1,203.5	1,201.7	1,204.3	1,201.8
Manufacturing.....	782.0	830.1	853.7	856.8	848.2	845.5	848.3	844.3
Distributive industries.....	1,021.0	1,095.6	1,142.2	1,146.9	1,145.2	1,152.4	1,154.1	1,150.6
Service industries.....	1,638.2	1,809.5	1,928.3	1,941.7	1,944.0	1,957.2	1,965.0	1,963.7
Government.....	724.3	768.4	792.7	796.1	799.0	803.7	809.4	811.4
Other labor income.....	509.7	534.2	550.3	551.3	552.0	553.3	554.5	555.2
Proprietors' income with inventory valuation and capital consumption adjustments.....	672.0	715.0	740.2	740.0	746.0	750.1	754.1	760.9
Farm.....	26.6	30.6	28.4	29.0	28.8	28.3	29.4	31.5
Nonfarm.....	645.4	684.4	711.8	711.0	717.1	721.8	724.7	729.3
Rental income of persons with capital consumption adjustment...	147.7	141.6	137.9	138.1	140.3	138.6	144.8	147.5
Personal dividend income.....	343.1	379.2	407.2	409.6	411.9	414.3	416.9	420.1
Personal interest income.....	950.0	1,000.6	1,009.1	1,005.1	1,000.7	997.2	995.2	994.2
Transfer payments to persons.....	1,019.6	1,069.1	1,131.0	1,134.1	1,140.3	1,143.6	1,158.4	1,152.6
Old-age, survivors, disability, and health insurance benefits..	588.0	617.3	656.0	658.7	660.7	660.8	672.7	666.6
Government unemployment insurance benefits.....	20.3	20.3	22.8	23.2	23.1	23.0	23.3	23.1
Other.....	411.2	431.5	452.2	452.3	456.4	459.9	462.4	462.8
Less: Personal contributions for social insurance.....	337.1	357.7	373.2	374.0	373.5	374.5	375.2	374.5

p Preliminary.
r Revised.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 2.-The Disposition of Personal Income
[Billions of dollars]

	1999	2000	Mar 01	Apr 01/r/	May 01/r/	Jun 01/r/	Jul 01/r/	Aug 01/p/
Personal income.....	7,777.3	8,319.2	8,676.2	8,697.0	8,709.3	8,737.6	8,781.7	8,783.5
Less: Personal tax and nontax payments.....	1,159.2	1,288.2	1,349.4	1,348.9	1,349.0	1,356.4	1,271.6	1,132.4
Equals: Disposable personal income..	6,618.0	7,031.0	7,326.9	7,348.1	7,360.3	7,381.2	7,510.1	7,651.1
Less: Personal outlays.....	6,457.2	6,963.3	7,230.8	7,254.5	7,280.8	7,309.7	7,324.3	7,338.0
Personal consumption expenditures.	6,250.2	6,728.4	6,994.0	7,017.3	7,043.7	7,072.8	7,088.5	7,103.4
Interest paid by persons.....	179.7	205.3	206.7	206.5	206.3	206.2	205.1	203.8
Personal transfer payments to the rest of the world (net).....	27.2	29.6	30.1	30.8	30.8	30.8	30.8	30.8
Equals: Personal saving.....	160.9	67.7	96.0	93.6	79.5	71.4	185.7	313.2
Addenda:								
Disposable personal income:								
Chained (1996) dollars\1\.....	6,320.0	6,539.2	6,704.9	6,712.4	6,717.7	6,727.4	6,850.0	6,978.7
Per capita:								
Current dollars.....	24,242	25,528	26,429	26,486	26,509	26,564	27,007	27,493
Chained (1996) dollars.....	23,150	23,742	24,186	24,194	24,195	24,211	24,633	25,077
Population (thousands)\2\.....	272,996	275,423	277,223	277,436	277,649	277,864	278,078	278,292
Personal saving as a percentage of disposable personal income....	2.4	1.0	1.3	1.3	1.1	1.0	2.5	4.1

p Preliminary.
r Revised.

1. Equals disposable personal income deflated by the implicit price deflator for personal consumption expenditures.
2. Population is the total population of the United States, including the Armed Forces overseas and the institutionalized population. The monthly estimate is the average of estimates for the first of the month and the first of the following month; the annual estimate is the average of the monthly estimates. Prior to January 2001, first-of-the-month estimates are from Census Bureau surveys and are consistent with the 1990 Census of Population. Beginning with January 2001, first-of-the-month estimates are derived by BEA based on extrapolations of the Census Bureau estimates.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 3.-Personal Income and Its Disposition, Change from Preceding Period
[Billions of dollars]

	1999	2000	Mar 01	Apr 01/r/	May 01/r/	Jun 01/r/	Jul 01/r/	Aug 01/p/
Personal income.....	351.3	541.9	36.0	20.8	12.3	28.3	44.1	1.8
Wage and salary disbursements.....	279.4	365.0	22.0	19.0	-1.1	23.3	17.9	-5.4
Private industries.....	247.8	320.9	18.8	15.6	-4.0	18.6	12.2	-7.4
Goods-producing industries....	50.2	75.0	4.4	-2.5	-4.6	-1.8	2.6	-2.5
Manufacturing.....	25.4	48.1	.2	3.1	-8.6	-2.7	2.8	-4.0
Distributive industries.....	72.1	74.6	1.2	4.7	-1.7	7.2	1.7	-3.5
Service industries.....	125.5	171.3	13.3	13.4	2.3	13.2	7.8	-1.3
Government.....	31.6	44.1	3.1	3.4	2.9	4.7	5.7	2.0
Other labor income.....	19.1	24.5	1.0	1.0	.7	1.3	1.2	.7
Proprietors' income with inventory valuation and capital consumption adjustments.....	48.2	43.0	6.5	-.2	6.0	4.1	4.0	6.8
Farm.....	1.0	4.0	-1.8	.6	-.2	-.5	1.1	2.1
Nonfarm.....	47.2	39.0	8.3	-.8	6.1	4.7	2.9	4.6
Rental income of persons with capital consumption adjustment...	9.1	-6.1	-1.7	.2	2.2	-1.7	6.2	2.7
Personal dividend income.....	-5.2	36.1	2.4	2.4	2.3	2.4	2.6	3.2
Personal interest income.....	-14.4	50.6	-1.7	-4.0	-4.4	-3.5	-2.0	-1.0
Transfer payments to persons.....	35.9	49.5	8.6	3.1	6.2	3.3	14.8	-5.8
Old-age, survivors, disability, and health insurance benefits..	9.9	29.3	4.3	2.7	2.0	.1	11.9	-6.1
Government unemployment insurance benefits.....	.8	.0	.1	.4	-.1	-.1	.3	-.2
Other.....	25.1	20.3	4.2	.1	4.1	3.5	2.5	.4
Less: Personal contributions for social insurance.....	20.8	20.6	1.0	.8	-.5	1.0	.7	-.7
Less: Personal tax and nontax payments.....	88.8	129.0	4.4	-.5	.1	7.4	-84.8	-139.2
Equals: Disposable personal income..	262.4	413.0	31.7	21.2	12.2	20.9	128.9	141.0
Less: Personal outlays.....	403.1	506.1	13.8	23.7	26.3	28.9	14.6	13.7
Personal consumption expenditures.	394.2	478.2	15.5	23.3	26.4	29.1	15.7	14.9
Interest paid by persons.....	6.0	25.6	-1.7	-.2	-.2	-.1	-1.1	-1.3
Personal transfer payments to the rest of the world (net).....	2.9	2.4	.0	.7	.0	.0	.0	.0
Equals: Personal saving.....	-140.6	-93.2	17.8	-2.4	-14.1	-8.1	114.3	127.5
Addendum: Disposable personal income: chained (1996) dollars\1\.....	151.4	219.2	31.5	7.5	5.3	9.7	122.6	128.7

p Preliminary.

r Revised.

1. Equals disposable personal income deflated by the implicit price
deflator for personal consumption expenditures.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4--Personal Consumption Expenditures by Major Type of Product
[Billions of dollars; months seasonally adjusted at annual rates]

	1999	2000	Mar 01	Apr 01/r/	May 01/r/	Jun 01/r/	Jul 01/r/	Aug 01/p/
Billions of current dollars								
Personal consumption expenditures...	6,250.2	6,728.4	6,994.0	7,017.3	7,043.7	7,072.8	7,088.5	7,103.4
Durable goods.....	760.9	819.6	837.7	840.2	837.6	856.4	854.0	847.1
Nondurable goods.....	1,831.3	1,989.6	2,036.5	2,055.3	2,067.6	2,064.0	2,064.5	2,069.1
Services.....	3,658.0	3,919.2	4,119.8	4,121.8	4,138.5	4,152.3	4,170.0	4,187.2
Billions of chained (1996) dollars								
Personal consumption expenditures...	5,968.4	6,257.8	6,400.3	6,410.2	6,428.8	6,446.3	6,465.5	6,479.1
Durable goods.....	817.8	895.5	925.3	930.1	931.3	952.9	950.9	947.8
Nondurable goods.....	1,766.4	1,849.9	1,868.1	1,877.1	1,882.1	1,878.8	1,891.6	1,901.4
Services.....	3,393.2	3,527.7	3,623.7	3,620.7	3,632.7	3,635.8	3,643.5	3,649.7
Chain-type price indexes (1996=100)								
Personal consumption expenditures...	104.72	107.52	109.28	109.48	109.57	109.73	109.64	109.64
Durable goods.....	93.04	91.53	90.54	90.33	89.93	89.88	89.81	89.38
Nondurable goods.....	103.67	107.55	109.02	109.50	109.86	109.86	109.14	108.83
Services.....	107.80	111.10	113.70	113.85	113.93	114.22	114.46	114.74
Addendum:								
Personal consumption expenditures less food and energy.....	104.99	107.02	108.45	108.54	108.41	108.58	108.81	108.87
Change from preceding period								
Billions of current dollars								
Personal consumption expenditures...	394.2	478.2	15.5	23.3	26.4	29.1	15.7	14.9
Durable goods.....	67.7	58.7	-6.7	2.5	-2.6	18.8	-2.4	-6.9
Nondurable goods.....	122.8	158.3	-12.1	18.8	12.3	-3.6	.5	4.6
Services.....	203.7	261.2	34.4	2.0	16.7	13.8	17.7	17.2
Billions of chained (1996) dollars								
Personal consumption expenditures...	284.7	289.4	16.7	9.9	18.6	17.5	19.2	13.6
Durable goods.....	91.1	77.7	-4.1	4.8	1.2	21.6	-2.0	-3.1
Nondurable goods.....	80.0	83.5	-6.7	9.0	5.0	-3.3	12.8	9.8
Services.....	119.8	134.5	25.7	-3.0	12.0	3.1	7.7	6.2

p Preliminary.
r Revised.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 5.--Percent Change From Preceding Period in Selected Series

	1999	2000	Mar 01	Apr 01/r/	May 01/r/	Jun 01/r/	Jul 01/r/	Aug 01/p/
Based on current dollars								
Personal income.....	4.7	7.0	.4	.2	.1	.3	.5	.0
Disposable personal income.....	4.1	6.2	.4	.3	.2	.3	1.7	1.9
Personal consumption expenditures...	6.7	7.7	.2	.3	.4	.4	.2	.2
Durable goods.....	9.8	7.7	-.8	.3	-.3	2.2	-.3	-.8
Nondurable goods.....	7.2	8.6	-.6	.9	.6	-.2	.0	.2
Services.....	5.9	7.1	.8	.0	.4	.3	.4	.4
Based on chained (1996) dollars								
Disposable personal income.....	2.5	3.5	.5	.1	.1	.1	1.8	1.9
Personal consumption expenditures...	5.0	4.8	.3	.2	.3	.3	.3	.2
Durable goods.....	12.5	9.5	-.4	.5	.1	2.3	-.2	-.3
Nondurable goods.....	4.7	4.7	-.4	.5	.3	-.2	.7	.5
Services.....	3.7	4.0	.7	-.1	.3	.1	.2	.2

p Preliminary.
r Revised.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.